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Albany Exchange Bank

Articles of association of  
the Albany Exchange...

Albany

1838

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Articles of association of the Albany exchange bank at Albany and the general banking law of the state of New York

Albany 1838 0 16 p

No. 12 of  a vol of pamphlets

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ARTICLES OF ASSOCIATION

OF THE

ALBANY EXCHANGE BANK,

AT ALBANY;

AND

THE GENERAL BANKING LAW

OF THE

STATE OF NEW-YORK.

ALBANY:

PRINTED BY PACKARD, VAN BENTHUYSEN & CO.

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1838.

THE NEW YORK  
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## DIRECTORS.

JOHN Q. WILSON, *President*.  
GEORGE W. STANTON, *Vice-President*.

ALFRED DOUGLAS,	HENRY GREENE,
GALEN BATCHELDOR,	JOHN M. NEWTON,
FREDERICK J. BARNARD,	JAMES McNAUGHTON,
ELANSING G. TAYLOR,	GILES SANFORD,
JOHN THOMAS,	SAMUEL STEVENS,
ROBERT HUNTER,	ROBERT L. NOYES.
OLIVER STEELE,	

SAMUEL STEVENS, *Counsellor*.



## ARTICLES OF ASSOCIATION

OF THE

### ALBANY EXCHANGE BANK,

Made and entered into, under and pursuant to an act of the Legislature of the State of New-York, entitled "An act to authorize the business of banking," passed April eighteenth, one thousand eight hundred and thirty-eight.

WITNESS, That the subscribers whose names are hereto affixed, have associated themselves under and pursuant to the act aforesaid, and do certify and declare the articles of their association to be as follows :

#### ARTICLE I.

SECTION 1. The name assumed to distinguish this association, and to be used in its dealings, shall be the *Albany Exchange Bank*.

§ 2. This association shall commence on the first day of January, 1839; and shall terminate on the first day of January, in the year of our Lord two thousand five hundred.

§ 3. The city of Albany shall be the place where the operations of discount and deposit, and the general business of this association shall be carried on; but the directors may, by by-laws, provide for a temporary change of the place of business, and the temporary removal and safe-keeping of the funds, property and effects of this association, in case of war, pestilence, or other public calamity, which in the judgment of the said directors may render such change and removal necessary.

#### ARTICLE II.

SECTION 1. The capital stock of this association shall be one hundred thousand dollars, to be divided into one thousand shares of one hundred dollars each, with power and authority to increase the same as hereinafter mentioned to ten millions of dollars.

§ 2. The directors of this association shall provide and keep suitable books for the registry and transfer of the shares of the capital stock, which shall be transferable on the books of the association by the owners or their attorneys, in the manner to be prescribed by the by-laws.

## ARTICLE III.

SECTION 1. All the powers, rights and privileges of each and all the associates, and those who may become such by virtue of these articles, are hereby irrevocably delegated to, and vested in, and shall be exercised only by, a board of directors, who shall appoint such officers and agents as may be necessary for the transaction of the business of the association.

§ 2. The directors shall have power, on behalf of the association, to carry on the business of banking, by discounting notes, bills and other evidences of debt; by receiving deposits on interest or otherwise; by buying and selling gold and silver bullion, foreign coin, and bills of exchange, in such manner as they may see fit, for any purposes not prohibited by law; by giving to those who make deposits of money or other things, such receipts, bonds, bills, notes or other evidences of debt as may be lawful; by loaning money on real and personal security; and by exercising all the incidental powers necessary to carry on such business, and also to exercise such other powers and transact such other business as the said association are or may be authorized by law to exercise and transact.

§ 3. The board of directors shall consist of fifteen persons, who shall be annually elected in the manner hereinafter provided.

§ 4. The first election of directors under these articles, shall be held in the city of Albany, on the first Tuesday of September, 1839; and thereafter on the first Tuesday of September of each year, at such time of the day, and at such place in the said city, as the board of directors for the time being shall by resolution appoint.

§ 5. Notice of the election for directors shall be published in two of the daily newspapers printed in the city of Albany, of which the state paper shall be one, for at least thirty days immediately preceding the day of election.

§ 6. Three inspectors of such election shall be chosen at the same time and place of choosing directors. In the event of the said inspectors or either of them being dead or absent, or refusing to serve, the directors for the time being shall appoint inspectors in the place of those who are dead, absent, or refuse to serve.

§ 7. All elections for directors and inspectors shall be by ballot; and each shareholder shall be entitled to one vote, in person or by proxy, on each share of stock standing in his, her or their name on the books of the association; and the fifteen persons having the greatest number of votes for directors, and the three persons having the greatest number of votes for inspectors, shall be directors and inspectors.

§ 8. At any election, if there shall be a failure to elect, in consequence of two or more persons having an equal number of votes, the board of directors shall, by ballot and by plurality

of votes, determine which of the persons having an equal number of votes shall be the director or inspector, as the case may be.

§ 9. A majority of the directors shall have power, and it shall be their duty, to supply all vacancies that may occur in their board, by death, resignation or otherwise, during the year ensuing each annual election; and the person or persons so appointed shall hold the place or places for the same term that the person or persons in whose place or places he or they shall be appointed, would have held the same.

§ 10. Every director shall be or become a stockholder to the amount of ten shares of stock at least, and within ten days after his election or appointment; and any director not being or becoming a shareholder to the amount of ten shares within the time aforesaid, or afterwards ceasing to be a stockholder to that amount, shall thereby vacate his place as such director, and his place shall be supplied by the board of directors, as provided by the section immediately preceding.

## ARTICLE IV.

SECTION 1. A majority of the directors are hereby authorized and empowered to appoint one of their number president, and one of their number vice-president, and to appoint a cashier; and to remove such president, vice-president, cashier, and every officer, agent and servant, and appoint others in their stead.

§ 2. A majority of the directors shall have authority to determine what number shall constitute a quorum for business; and to make such by-laws, rules and regulations for the management of the business of the association, and the government of themselves, officers and agents, as they may think expedient, not inconsistent with law or these articles of association; but such by-laws shall not be altered without the approbation of two-thirds of the directors, specially convened for the purpose.

§ 3. The directors may deposit with, or transfer to the comptroller of the state of New-York, such part of the capital stock, assets, or securities of the association as is authorized by law; and receive from him circulating bills or notes, according to the provisions of the aforesaid statute, to loan and circulate as money according to law.

§ 4. Two-thirds of the directors may establish agencies, and appoint all officers and agents necessary to take charge thereof.

§ 5. A majority of the directors are hereby authorized to increase the number of associates, and the capital stock of this association, from time to time, and until the capital shall amount to ten millions of dollars.

§ 6. The time, terms and mode of increasing the capital, and requiring payment thereof, shall be fixed and determined by the directors in a manner not inconsistent with law and these articles of association.

§ 7. No call shall be made for the payment of stock, except by a notice to be published daily for four successive weeks in two newspapers printed in the city of Albany.

§ 8. If any shareholder shall omit to make payment pursuant to any call of the directors, the shares on which payment is omitted to be made shall be subject to be forfeited to the use of the association, together with all previous payments made thereon; but no forfeiture shall be made until after the expiration of thirty days after the time limited in any call; the delinquent shareholder being subject to the payment of interest at the rate of seven per cent, in case he shall, before the expiration of the last mentioned time, choose to make the payment, and save the forfeiture of his shares.

§ 9. The stock of any shareholder may be transferred at any time after twenty per cent of the whole amount of his subscription may have been paid in; but it is expressly understood that no transfer of any stock shall be made or binding upon his association, until every lawful demand due thereto by the shareholder shall have been fully paid and liquidated, without a resolution of the board of directors assenting to such transfer.

§ 10. The board of directors shall exhibit annually to the shareholders a statement of their affairs, verified by the oath of the president or vice-president and cashier.

§ 11. Dividends of so much of the interest and profits of the association shall be declared and paid from time to time, as shall be deemed expedient by the directors.

#### ARTICLE V.

No director or stockholder of this association shall be liable in his individual capacity for any contract, debt or engagement of this association.

#### ARTICLE VI.

SECTION 1. This association, and the subscribers hereto, for the uselves and their assigns, have and hereby do become and declare themselves contracting parties with the people of the state of New-York, under the said act of the legislature, and accept the franchises and privileges therein and thereby offered and provided for any association which may be formed under the same.

§ 2. These articles may be altered from time to time, on the recommendation of the directors, and with the assent of the people of the state of New-York given by law of the legislature thereof, and the owners of two-thirds of the shares of the capital of this association; but no change shall be made, by which the rights, remedies, or security of its existing creditors shall be weakened or impaired.

§ 3. The following persons are hereby appointed the first board of directors: John Q. Wilson, George W. Stanton, Al-

fred Douglas, Galen Batchelder, Frederick J. Barnard, Lansing G. Taylor, John Thomas, Robert Hunter, Oliver Steele, Henry Greene, John M. Newton, James McNaughton, Giles Sanford, Samuel Stevens and Robert L. Noyes, who shall hold their offices until the first Tuesday of September, 1839; who are authorized to receive subscriptions for stock, require such instalments, and receive such security, not inconsistent with these articles, as in their judgment shall best effect the object of their appointment. Within ten days after one hundred thousand dollars of the capital of the association shall be subscribed, the said directors shall cause to be made, executed and filed, a certificate according to the provisions of the said act.

§ 4. Any person, or persons jointly, copartnership, association, body politic or corporate, who shall subscribe or become the owner or owners by purchase, or title otherwise derived from any subscriber or subscribers, and have transferred to him, her or them, on the books of this association, one or more shares of the capital thereof, shall be an associate or associates of this association, and subject to the provisions and covenants contained in these articles; provided nevertheless that no person, or persons jointly, copartnership, body politic or corporate, shall at any one time be or become the owner of more than two-fifths of the shares or amount of stock of this association.

We the subscribers hereto, and to the Articles of Association of the Albany Exchange Bank, hereby engage to pay to the directors of the said bank, or such person or persons as they shall appoint, such sums as they may require from time to time on our respective subscription, not exceeding in the whole one hundred dollars on each share, to establish said bank; but the board of directors shall not require the payment thereof faster than at the rate of ten dollars per month on each share; of which calls, due notice shall be given in two newspapers published in the city of Albany, at least thirty days previous to the payment of such calls; but no forfeiture shall be made until after the expiration of thirty days after the time limited in any call for payment of stock: The delinquent stockholder being subject to the payment of interest, at the rate of seven per cent, in case he shall before the expiration of the last mentioned time, choose to make payment and save the forfeiture of his shares; and in case default shall be made in any payment required by said directors, the said board of directors shall have power to declare the said stock forfeited to the said association, together with all previous payments made thereon, subject to the delay of thirty days as aforesaid.

IN WITNESS WHEREOF, we have hereunto subscribed our names this eighteenth day of October, one thousand eight hundred and thirty-eight.

## CERTIFICATE

*Of the organization of The Albany Exchange Bank, under the act of the Legislature of the State of New-York, entitled "An act to authorize the business of banking," passed April 18, 1838.*

We, who have hereunto set our hands and seals, do certify, that we have associated by Articles of Association subscribed by us, and dated the \_\_\_\_\_ day of \_\_\_\_\_ in the year one thousand eight hundred and thirty-eight, to establish a Bank under and in pursuance of the said act of the Legislature.

We further certify, that the name assumed to distinguish such association and to be used in its dealings, is "THE ALBANY EXCHANGE BANK."

We would further certify, that the city of Albany is the place where the operations of discount and deposit of said Association are to be carried on.

We would add, however, that the Articles of said Association contemplate and provide for the establishment of agencies in this state, in the other states of the United States, and elsewhere.

We further certify, that the amount of the capital stock of said Association is one hundred thousand dollars, and is divided into shares of one hundred dollars each.

We would add, however, that by our Articles of Association, we have provided for an increase of our capital, until it reaches the sum of ten millions of dollars.

We further certify, that the schedule hereunto annexed, marked A, and which forms a part of this certificate, contains the names and places of residence of the shareholders of this Association, and the number of shares held by each of them respectively.

And we further certify, that this Association shall commence on the first day of January, 1839, and terminate in the year two thousand five hundred.

In witness whereof, we have hereunto set our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_ in the year one thousand eight hundred and thirty-eight.

Signed, sealed and delivered }  
in the presence of }

*Schedule A, containing the names of subscribers to the Albany Exchange Bank.*

NAMES OF SUBSCRIBERS.	NO. OF SHARES.	PLACE OF RESIDENCE.
-----------------------	----------------	---------------------

## AN ACT

## TO AUTHORIZE THE BUSINESS OF BANKING.

PASSED APRIL 18, 1838.

*The People of the State of New-York, represented in Senate and Assembly, do enact as follows:*

§ 1. The comptroller is hereby authorized and required to cause to be engraved and printed in the best manner to guard against counterfeiting, such quantity of circulating notes, in the similitude of bank notes in blank, of the different denominations authorized to be issued by the incorporated banks of this state, as he may from time to time deem necessary to carry into effect the provisions of this act, and of such form as he may prescribe. Such blank circulating notes shall be countersigned, numbered and registered in proper books to be provided and kept for that purpose in the office of said comptroller, under his direction, by such person or persons as the said comptroller shall appoint for that purpose, so that each denomination of such circulating notes shall all be of the same similitude and bear the uniform signature of such register, or one of such registers.

Comptroller to provide circulating notes.

Which are to be countersigned, and registered in his office.

§ 2. Whenever any person or association of persons formed for the purpose of banking under the provisions of this act, shall legally transfer to the comptroller any portion of the public debt now created or hereafter to be created by the United States or by this State, or such other States of the United States as shall be approved by the comptroller, such person or association of persons shall be entitled to receive from the comptroller an equal amount of such circulating notes, of different denominations, registered and countersigned as aforesaid; but such public debt shall in all cases be, or be made to be, equal to a stock of the state producing five per cent per annum; and it shall not be lawful for the comptroller to take any stock at a rate above its par value.

On transfer of public stock, circulating notes to be delivered to association.

Stock to be equal to a 5 per cent stock of this state.

§ 3. Such persons or association of persons are hereby authorized, after having executed and signed such circulating notes in the manner required by law to make them obligatory promissory notes payable on demand, at the place of business within this state, of such person or association, to loan and circulate the same as money, according to the ordinary course

When notes may be circulated as money.

of banking business as regulated by the laws and usages of this state.

If notes are not redeemed in lawful money, comptroller to redeem with trust fund.

§ 4. In case the maker or makers of any such circulating note, countersigned and registered as aforesaid, shall at any time hereafter, on lawful demand during the usual hours of business, between the hours of ten and three o'clock, at the place where such note is payable, fail or refuse to redeem such note in the lawful money of the United States, the holder of such note making such demand may cause the same to be protested for non-payment by a notary public, under his seal of office, in the usual manner; and the comptroller on receiving and filing in his office such protest, shall forthwith give notice in writing to the maker or makers of such note to pay the same; and if he or they shall omit to do so for ten days after such notice, the comptroller shall immediately thereupon, (unless he shall be satisfied that there is a good and legal defence against the payment of such note or notes,) give notice in the state paper that all the circulating notes issued by such person or association will be redeemed out of the trust funds in his hands for that purpose; and it shall be lawful for the comptroller to apply the said trust funds belonging to the maker or makers of such protested notes, to the payment and redemption of such notes, with costs of protest, and to adopt such measures for the payment of all such circulating notes out in circulation by the maker or makers of such protested notes, pursuant to the provisions of this act, as will, in his opinion, most effectually prevent loss to the holders thereof.

Powers of attorney to be given to owners to receive dividends on trust fund.  
When to be revoked.

§ 5. The comptroller may give to any person or association of persons so transferring stock in pursuance of the provisions of this act, powers of attorney to receive interest or dividends hereon, which such person or association may receive and apply to their own use; but such powers may be revoked upon such person or association failing to redeem the circulating notes so issued, or whenever, in the opinion of the comptroller, the principal of such stock shall become an insufficient security; and the said comptroller, upon the application of the owner or owners of such transferred stock in trust, may, in his discretion, change or transfer the same for other stocks of the kinds before specified in this act, or may re-transfer the said stocks, or any part thereof, or the mortgages, or any of them herein-after mentioned and provided for, upon receiving and cancelling an equal amount of such circulating notes delivered by him to such person or association, in such manner that the circulating notes shall always be secured in full either by stocks or by stocks and mortgages, as in this act provided.

Stocks may be changed or re-transferred.

Bills how to be stamped.

§ 6. The bills or notes so to be countersigned, and the payment of which shall be so secured by the transfer of public stocks, shall be stamped on their face, "Secured by the pledge of public stocks."

§ 7. Instead of transferring public stocks as aforesaid to secure the whole amount of such bills or notes, it shall be lawful for such person or association of persons, in case they shall so elect before receiving any of the said bills or notes, to secure the payment of one half of the whole amount so to be issued, by transferring to the comptroller bonds and mortgages upon real estate, bearing at least six per cent interest, of this state, payable annually or semi-annually; in which case all such bills or notes issued by the said person or association of persons, shall be stamped on their face, "Secured by pledge of public stocks and real estate."

Bonds and mortgages to be taken for one half of notes delivered.

How bills to be stamped in such case.

§ 8. Such mortgages shall be only upon improved, productive, unincumbered lands within this state, worth independently of any buildings thereon, at least double the amount for which they shall be so mortgaged; and the comptroller shall prescribe such regulations for ascertaining the title and the value of such lands as he may deem necessary; and such mortgages shall be payable within such time as the comptroller may direct.

Character of mortgages, title and value of lands, how ascertained.

§ 9. The comptroller may, in his discretion, reassign the said bonds and mortgages, or any of them, to the person or association who transferred the same, on receiving other approved bonds and mortgages of equal amount; and when any sum of the principal of the bonds and mortgages transferred to the comptroller shall be paid to him, he shall notify the person or association that transferred the bonds and mortgages of such payment, and may pay the same to such person or association on receiving other approved bonds and mortgages of equal amount.

When bonds and mortgages may be re-assigned.

Proceedings when principal of trust fund is paid to comptroller.

§ 10. The person or association of persons assigning such bonds and mortgages to the comptroller, may receive the annual interest to accrue thereon, unless default shall be made in paying the bills or notes to be countersigned as aforesaid, or unless in the opinion of the comptroller the bonds and mortgages or stocks so pledged shall become an insufficient security for the payment of such bills or notes.

Owners of mortgages to receive interest, except in certain cases.

§ 11. In case such person or association of persons shall fail or refuse to pay such bills or notes on demand in the manner specified in the fourth section of this act, the comptroller, after the ten days' notice therein mentioned, may proceed to sell at public auction the public stocks so pledged, or the bonds and mortgages so assigned, or any or either of them, and out of the proceeds of such sale shall pay and cancel the said bills or notes, default in paying which shall have been made as aforesaid; but nothing in this act contained shall be considered as implying any pledge on the part of the state for the payment of said bills or notes beyond the proper application of the securities pledged to the comptroller for their redemption.

When pledged securities to be sold and how.

Proceeds to be applied to payment of bills.

§ 12. The public debt and bonds and mortgages to be deposited with the comptroller by any such person or association,

Pledged securities to



be held exclusively for redemption of circulating notes.

Plates, &c., to remain in custody of comptroller.

Expenses in executing this act how paid.

Comptroller not to countersign bills beyond securities pledged.

Penalties for violation of this provision.

Number of associates and amount of capital stock.

Association to make a certificate, and its contents.

How proved, recorded, and filed.

Certificates may be used, as evidence.

shall be held by him exclusively for the redemption of the bills or notes of such person or association put in circulation as money, until the same are paid.

§ 13. The plates, dies and materials to be procured by the comptroller, for the printing and making of the circulating notes provided for hereby, shall remain in his custody and under his direction; and the expenses necessarily incurred in executing the provisions of this act, shall be audited and settled by the comptroller, and paid out of any moneys in the treasury not otherwise appropriated; and for the purpose of reimbursing the same, the said comptroller is hereby authorized and required to charge against and receive from such person or association applying for such circulating notes, such rate per cent thereon as may be sufficient for that purpose, and as may be just and reasonable.

§ 14. It shall not be lawful for the comptroller, or other officer to countersign bills or notes for any person or association of persons, to an amount in the aggregate exceeding the public debt, or public debt and bonds and mortgages, at their value, as provided in the second section of this act, deposited with the comptroller by such person or association; and any comptroller or other officer who shall violate the provisions of this section, shall, upon conviction, be adjudged guilty of a misdemeanor, and shall be punished by a fine not less than five thousand dollars, or be imprisoned not less than five years, or by both such fine and imprisonment.

§ 15. Any number of persons may associate to establish offices of discount, deposit and circulation, upon the terms and conditions, and subject to the liabilities prescribed in this act; but the aggregate amount of the capital stock of any such association shall not be less than one hundred thousand dollars.

§ 16. Such persons, under their hands and seals, shall make a certificate which shall specify,

1. The name assumed to distinguish such association, and to be used in its dealings;
2. The place where the operations of discount and deposit of such association are to be carried on, designating the particular city, town or village;
3. The amount of the capital stock of such association, and the number of shares into which the same shall be divided;
4. The names and places of residence of the shareholders, and the number of shares held by each of them respectively;
5. The period at which such association shall commence and terminate; which certificate shall be proved or acknowledged and recorded in the office of the clerk of the county where any office of such association shall be established, and a copy thereof filed in the office of the secretary of state.

§ 17. The certificate required by the last preceding section to be recorded and filed in the offices of the clerk of the county and secretary of state as aforesaid, or copies thereof, duly cer-

tified by either of those officers, may be used as evidence in all courts and places for and against any such association.

§ 18. Such association shall have power to carry on the business of banking, by discounting bills, notes and other evidences of debt; by receiving deposits; by buying and selling gold and silver bullion, foreign coins and bills of exchange, in the manner specified in their articles of association for the purposes authorized by this act; by loaning money on real and personal security; and by exercising such incidental powers as shall be necessary to carry on such business; to choose one of their number as president of such association, and to appoint a cashier, and such other officers and agents as their business may require, and to remove such president, cashier, officers and agents at pleasure, and appoint others in their place.

§ 19. The shares of said association shall be deemed personal property, and shall be transferable on the books of the association in such manner as may be agreed on in the articles of association; and every person becoming a shareholder by such transfer, shall, in proportion to his shares, succeed to all the rights and liabilities of prior shareholders: and no change shall be made in the articles of association by which the rights, remedies or security of its existing creditors shall be weakened or impaired. Such association shall not be dissolved by the death or insanity of any of the shareholders therein.

§ 20. It shall be lawful for any association of persons organized under this act, by their articles of association, to provide for an increase of their capital and of the number of the associates, from time to time, as they may think proper.

§ 21. Contracts made by any such association, and all notes and bills by them issued and put in circulation as money, shall be signed by the president or vice-president and cashier thereof; and all suits, actions and proceedings brought or prosecuted by or on behalf of such association, may be brought or prosecuted in the name of the president thereof; and no such suit, action or proceeding shall abate by reason of the death, resignation or removal from office of such president, but may be continued and prosecuted according to such rules as the courts of law and equity may direct, in the name of his successor in office, who shall exercise the powers, enjoy the rights, and discharge the duties of his predecessor.

§ 22. All persons having demands against any such association, may maintain actions against the president thereof; which suits or actions shall not abate by reason of the death, resignation or removal from office of such president, but may be continued and prosecuted to judgment against his successor; and all judgments and decrees obtained or rendered against such president for any debt or liability of such association shall be enforced only against the joint property of the association, property only.

General powers of association.

President and cashier.

Shares to be personal property and how transferable. Rights of shareholders.

No change in articles to impair rights of creditors.

Association not dissolved by death, &c. of shareholders.

Articles may provide for increase of capital, &c.

Contracts how signed, and suits how prosecuted.

Actions may be maintained against president of association.

Not to abate by his death or removal.

Judgment enforced against joint property only.

and which property shall be liable to be taken and sold by execution under any such judgment or decree.

§ 23. No shareholder of any such association shall be liable in his individual capacity for any contract, debt or engagement of such association, unless the articles of association by him signed shall have declared that the shareholder shall be so liable.

§ 24. It shall be lawful for such association to purchase, hold and convey real estate for the following purposes:

1. Such as shall be necessary for its immediate accommodation in the convenient transaction of its business; or
2. Such as shall be mortgaged to it in good faith, by way of security for loans made by, or moneys due to, such association; or
3. Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its dealings; or
4. Such as it shall purchase at sales under judgments, decrees or mortgages held by such association.

The said association shall not purchase, hold or convey real estate in any other case or for any other purpose; and all conveyances of such real estate shall be made to the president, or such other officer as shall be indicated for that purpose in the articles of association; and which president or officer, and his successors, from time to time may sell, assign and convey the same, free from any claim thereon, against any of the shareholders, or any person claiming under them.

§ 25. Upon the application of creditors or shareholders of any such association, whose debts or shares shall amount to one thousand dollars, and stating facts, verified by affidavit, the chancellor may, in his discretion, order a strict examination to be made by one of the masters of his court, of all the affairs of such association, for the purpose of ascertaining the safety of its investments, and the prudence of its management; and the result of every such examination, together with the opinion of the master and of the chancellor thereon, shall be published in such manner as the chancellor shall direct, who shall make such order in respect to the expenses of such examination and publication as he may deem proper.

§ 26. Such association shall, on the first Mondays of January and July in every year after having commenced the business of banking as prescribed by this act, make out and transmit to the comptroller, in the form to be provided by him, a full statement of the affairs of the association, verified by the oath of the president or cashier, which statement shall contain,

1. The amount of the capital stock paid in according to the provisions of this act, or secured to be paid;
2. The value of the real estate of the association; specifying what portion is occupied by the association as necessary to the transaction of its business:

Shareholders not personally liable unless articles of association make them so

For what purposes to hold and convey real estate.

Prohibited holding for any other purpose.

Real estate how conveyed.

Sale free from any claim thereon against shareholders.

When chancellor to order examination of affairs of association.

Result may be published.

Semi-annual report to be made to comptroller.

Contents of report.

3. The shares of stock held by such association, whether absolutely or as collateral security; specifying each kind and description of stock, and the number and value of the shares of each:

4. The amount of debts due to the association; specifying such as are due from moneyed or other corporations or associations; and also specifying the amount secured by bond and mortgage or judgment; and the amount which ought to be included in the computation of losses:

5. The amount of debts due by such association; specifying such as are payable on demand, and such as are due to moneyed or other corporations or associations:

6. The amount of claims against the association not acknowledged by it as debts:

7. The amount of notes, bills or other evidences of debt issued by such association:

8. The amount of the losses of the association; specifying whether charged on its capital or profits, since its last preceding statement, and of its dividends declared and made during the same period:

9. The average amount in each month during the preceding six months of the debts due to and from the association; the average amount of specie possessed by the same during each month, and the amount of bills and notes issued by such association and put in circulation as money, and outstanding against the association, on the first day of each of the preceding six months:

10. The average amount in each month during the preceding six months due to the association, from all the shareholders in the association, also the greatest amount due to the association in each of the said preceding six months, from all the shareholders in such association:

11. The amount which the capital of the said association has been increased during the preceding six months, if there shall have been any increase of the said capital; and the names of any persons who may have become parties to the said articles of association, or may have withdrawn therefrom since their last report.

It shall be the duty of the comptroller to cause the statement required to be made by this section, to be published in a newspaper printed in the county where the place of business of such association is situated, and in the state paper; the expense of which shall be paid by such association.

§ 27. If such association shall neglect to make out and transmit the statement required in the last preceding section, for one month beyond the period when the same is required to be made, or shall violate any of the provisions of this act, such association may be proceeded against and dissolved by the court of chancery, in the same manner as any moneyed corporation may be proceeded against and dissolved.

Statement to be published.

Penalty for neglecting to report, or for violating any provision of this act.

If capital withdrawn, no dividends to be made.

Penalty for making dividends in such case.

Holder of bills entitled to 14 per cent in case of non-payment on demand.

List of names of shareholders to be kept and where filed.

Bills less than \$1000 not to be made payable at any place except the office of the association.

Repealing clause.

Association to have in specie 12 1/2 per cent of notes in circulation.

§ 28. If any portion of the original capital of any such association shall be withdrawn for any purpose whatever whilst any debts of the association remain unsatisfied, no dividends or profits on the shares of the capital stock of the association shall thereafter be made, until the deficit of capital shall have been made good, either by subscription of the shareholders, or out of the subsequently accruing profits of the association; and if it shall appear that any such dividends have been made, it shall be the duty of the chancellor to make the necessary orders and decrees for closing the affairs of the association, and distributing its property and effects among its creditors and shareholders.

§ 29. Such association shall be liable to pay the holder of every bill or note put in circulation as money, the payment of which shall have been demanded and refused, damages for non-payment thereof, in lieu of interest, at and after the rate of fourteen per cent per annum, from the time of such refusal until the payment of such evidence of debt, and the damages thereon.

§ 30. The president and cashier of every association formed pursuant to the provisions of this act, shall at all times keep a true and correct list of the names of all the shareholders of such association, and shall file a copy of such list in the office of the clerk of the county where any office of such association may be located, and also in the office of the comptroller, on the first Mondays of January and July in every year.

§ 31. It shall not be lawful for any association formed under the provisions of this act, to make any of its bills or notes of a denomination less than one thousand dollars, to be put in circulation as money, payable at any other place than at the office where the business of the association is carried on and conducted.

§ 32. The legislature may at any time alter or repeal this act.

§ 33. No association of persons authorized to carry on the business of banking under this act, shall at any time, for the space of twenty days, have on hand at their place of business, less than twelve and a half per cent in specie, on the amount of the bills or notes in circulation as money.

STATE OF NEW-YORK, }

Secretary's Office.

I have compared the preceding with an original act of the legislature of this state, on file in this office, and do certify that the same is a correct transcript therefrom, and of the whole of said original.

ARCHIBALD CAMPBELL,

Deputy Secretary.

Albany, May 3, 1838.

30032

**END OF  
TITLE**